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SUBJECT: Norman Chan Announced as New HKMA Chief

¶1. SUMMARY: As long expected, the Hong Kong government announced today that Norman Chan will take over as Chief Executive of the Hong Kong Monetary Authority when Joseph Yam steps down October 1. Chan, currently serving as Chief Executive Donald Tsang's Chief of Staff, is well qualified having previously served as Yam's deputy at HKMA. Chan's position in the Chief Executive's office will be filled by Raymond Tam, currently Undersecretary for Constitutional and Mainland Affairs. End Summary.

¶2. Financial Secretary John Tsang met the press at 5:00 pm today to announce that Norman Chan will succeed Joseph Yam as Chief Executive of the Hong Kong Monetary Authority for a five-year term starting October 1, 2009. The appointment was widely expected. Yam has headed the HKMA since its inception in 1993 and is well-known as the world's highest paid Central Banker. Chan won't make as much, the Financial Secretary told the press the annual salary for the HKMA Chief will drop 32 percent cut to just HKD 6 million (US\$ 770,000). However, Chan will receive a bonus of HKD 1.5 million (US\$192,000) after he completes the first year of service.

¶3. John Tsang praised Chan as the right person for the job, citing his deep understanding of Hong Kong's financial markets and banking supervision, as well as his experience in international and Mainland market operations with Standard Chartered Bank. At the same time, Chief Executive Donald Tsang announced that Under Secretary for Constitutional and Mainland Affairs Raymond Tam will replace Norman Chan as the new Director of the Chief Executives' Office effective August 1, 2009.

Bio Notes on Norman Chan and Raymond Tam

¶4. Bio Notes on Norman Chan: Chan, 55, is not a stranger to Hong Kong Monetary Authority. He joined the HKMA as an Executive Director when it was established in 1993. Chan reportedly worked closely with then Financial Secretary Donald Tsang, Joseph Yam and Rafael Hui to carry out the stock-market intervention in 1998 to fend off international speculators. He was awarded a Silver Bauhinia Star Medal in 1999. After serving as Joseph Yam's deputy from for nine years (from 1996- 2005), Norman Chan resigned in April 2005 to study at Harvard University. He returned to Hong Kong in December 2005 to join the Standard Chartered Bank as Asia Vice Chairman.

¶5. In recent years, Norman Chan has developed a close relationship with Donald Tsang; he was the Secretary General of Donald Tsang's Chief Executive Election Office in 2005 and Chairman of the Bauhinia Foundation (a think tank close to Donald Tsang) when it was launched in 2006. He gave up his HKD 10 million annual salary and accepted Donald Tsang's invitation to take charge of the Chief Executive's Office on July 1, 2007. A graduate of the Chinese University of Hong Kong, Norman Chan joined the Hong Kong Government as an Administrative Officer in 1976. He was appointed as Deputy Director (Monetary Management) of the Office of the Exchange Fund in 1991. He is married to Diana Tong, who is the Managing Director of Hong Kong's Mandatory Provident Funds Schemes Authority.

¶6. Bio Notes on Raymond Tam: Tam, 45, was appointed as Under Secretary for Constitutional and Mainland Affairs on May 20, 2008. Tam surrendered his British passport upon his appointment. A graduate of the University of Hong Kong, Raymond Tam joined the Hong Kong Government as an Administrative Officer in 1987. He has served in different departments and policy bureaus including the Home Affairs Bureau, the Central policy Unit, the Office of the Financial Secretary, the Chief Executive's Office, the Hong Kong Economic and Trade Office in Geneva and the Information Services Department.

¶7. In 2001, Raymond Tam was transferred to Financial Secretary Antony Leung's Office, working as Leung's Press Secretary. Antony Leung resigned in July 2003 to settle a dispute over his purchase of a luxury automobile. Tam, a rising star among the Administrative Officers at that time, was criticized for not reminding the Financial Secretary to declare his car purchase before holding meetings with other senior officials on the discussion of tax increases for imported vehicles. Raymond Tam later was transferred to the Constitutional Affairs Bureau as a Principal Assistant Secretary to assist Secretary Stephen Lam to promote political reform. In 2006, he was appointed Secretary for the Commission on Strategic Development responsible for collecting public opinions on the constitutional development plan and organizing the Economic Summit for the Chief Executive.